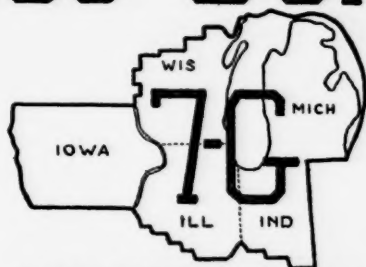


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 7, No. 11

MONTHLY REVIEW PUBLISHED BY THE
FEDERAL RESERVE BANK OF CHICAGO

November 1, 1924

BUSINESS CONDITIONS IN THE UNITED STATES

PRODUCTION of basic commodities, factory employment, and distribution of merchandise increased in September. During September and early in October there was a considerable increase in the volume of borrowing for commercial purposes.

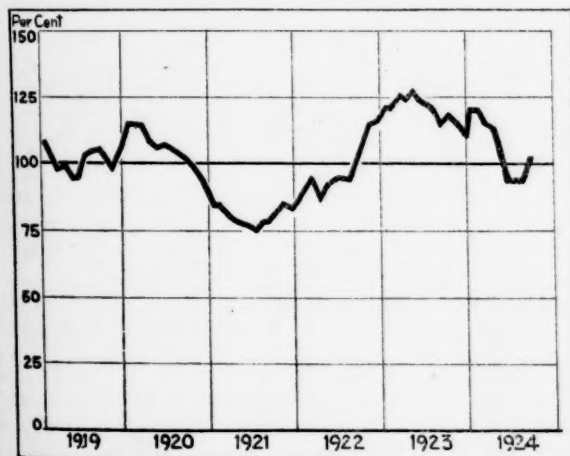
PRODUCTION—The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, rose 9 per cent in September, the first advance since last January. Increased activity was reported in many lines of industry including textiles, iron and steel, and coal. Factory employment increased 2 per cent during September, reflecting larger working forces in nearly all reporting industries. Average weekly earnings of industrial workers increased slightly, owing to a decrease in the extent of part-time em-

ployment. Building contracts awarded showed a small seasonal decline in September, but were considerably larger than a year ago.

Crop conditions, as reported by the Department of Agriculture, showed a further slight improvement during September, and the estimates of production for spring wheat, oats, barley, and white potatoes on October 1 were larger than the month before. Estimates of the yields of corn, tobacco, and cotton, however, were reduced. Marketing of wheat was exceptionally heavy in September and exports of wheat and cotton were larger than for the same month of any recent year.

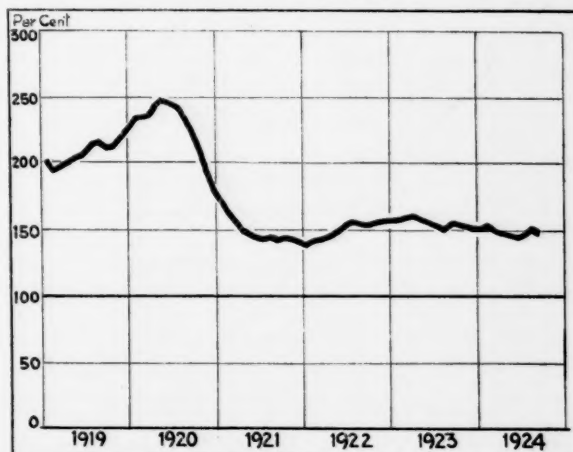
TRADE—Distribution of commodities as reflected in railroad shipments, increased during September and was greater than last year, owing

PRODUCTION IN BASIC INDUSTRIES



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, September, 1924: 102.

WHOLESALE PRICES



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by the Bureau). Latest figure, September, 1924: 149.

Compiled October 27, 1924

to larger loadings of miscellaneous merchandise, grain, and coal.

Wholesale trade was 11 per cent larger than in August, as the result of increased business in almost all reporting lines. Sales of groceries and drugs were larger than a year ago, while sales of meat and shoes were smaller. Retail trade showed more than the usual seasonal increase in September, and sales of department stores and mail order houses were considerably larger than last year. Merchandise stocks at department stores increased more than usual during September, but continued to be slightly smaller than a year ago.

PRICES—Wholesale prices in farm products, clothing, fuel, and metals declined somewhat in September, while prices of food products, building materials, and chemicals advanced. The general level of prices, as measured by the Bureau of Labor Statistics' index, was slightly lower in September than in August. During the first half of October quotations on wheat, flour, cattle, hogs, wool, and rubber increased, while prices of cotton, lumber, and gasoline declined.

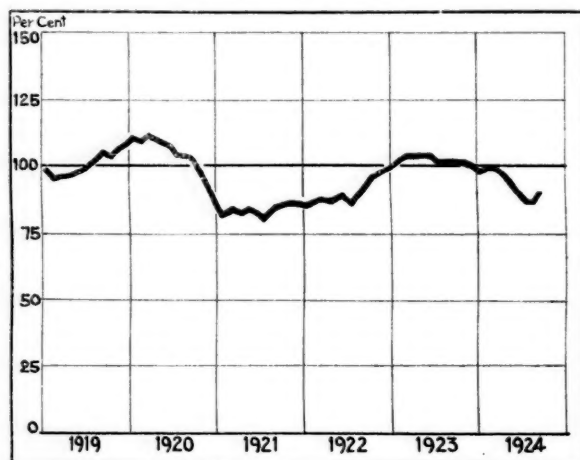
BANK CREDIT—During the five weeks ending October 15 loans and investments of reporting member banks in

leading cities increased by more than \$600,000,000. Credit demand for financing the marketing of crops and the fall activity of trade were reflected in increased commercial loans throughout the country and the total volume of these loans rose to a level considerably above the peak of October, 1923. Member bank investments in securities continued to increase and loans on stocks and bonds also advanced. A further growth of demand deposits carried their total to the highest figure on record.

At the Federal Reserve Banks, discounts changed but little in September and declined in the first three weeks of October, while holdings of acceptances increased considerably and there was also some increase in United States securities. As a consequence, total earning assets were larger than at any time since early in the year. Larger currency requirements, partly seasonal in character, were reflected between August 1 and October 1 in an increase of \$140,000,000 in the total volume of money in circulation.

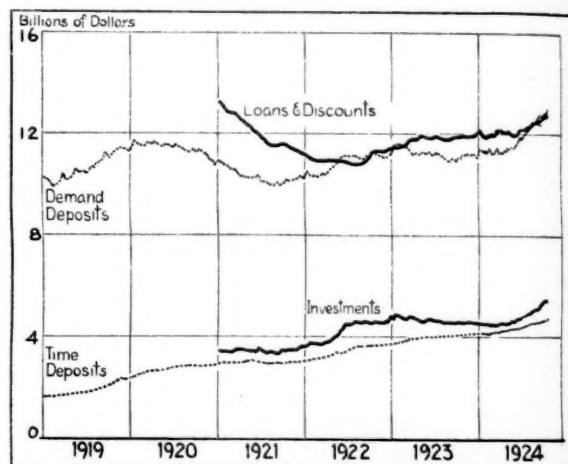
Money rates in the New York market remained relatively constant in the latter part of September and the early part of October. On October 15 the discount rate of the Federal Reserve Bank of Minneapolis was reduced from $4\frac{1}{2}$ to 4 per cent.

FACTORY EMPLOYMENT



Index for 33 manufacturing industries (1919=100). Latest figure, September, 1924: 90.

MEMBER BANK CREDIT



Weekly figures for member banks in 101 leading cities. Latest figures, October 15, 1924: Loans and Discounts, 12,786 million; Demand Deposits, 13,044 million; Investments, 5,447 million; Time Deposits, 4,732 million.

BUSINESS CONDITIONS IN THE SEVENTH RESERVE DISTRICT

A GRADUALLY broadening activity features most phases of the current business situation in the Middle West. Exceptions exist, with uncertainty still evident and with far from all lines reaching their 1923 levels, but in general, upward trends prevail. Many of these are developments coincident with the advancing autumn and normally to be expected at this season.

Such is the widening in mercantile activity as evidenced by the heavy freight carloadings during September and by the expanding wholesale and retail trade, with the latter, especially mail order and chain store sales, making gains over a year ago as well. Seasonal also is the enlarged movement of grain, accentuated this year by the profitable prices being realized. Shipments of livestock, except hogs,

and production at meat packing plants likewise were larger during September. Notwithstanding the smaller corn crop, agricultural conditions, because of the higher prices of farm products, present a favorable outlook, and constitute a factor contributive to current commercial expansion.

The heightened demand for coal during September was largely seasonal, and resulted in considerably increased production in this section. The larger automobile output, on the other hand, is contrary to the usual fall contraction, reflected this year in sales reduction only. The steel market maintained its August improvement, despite unsettled price conditions. Building figures registered a recession in activity.

Comparisons for other industries vary, the majority, how-

ever, indicating gains, although as measured by employment data, the district as a whole showed little change from the previous month.

In the financial situation no marked changes developed during September, money remaining abundant with rates practically the same as in August. The bond market continued strong and savings increased somewhat. The volume of cancelled checks declined slightly. In business failures, the increase for this district contrasts with a drop for the country as a whole.

BANKING CONDITIONS AND MONEY RATES

The banking situation in the Seventh district remains unchanged in general from that prevailing a month ago. Demand for accommodation by commerce and industry remains inadequate to absorb surplus funds of which many banks, particularly in the larger centers, are in possession. Reports from agricultural sections of the district indicate increasing liquidation on the part of country banks with the marketing of farm products at favorable prices. Some sections of the district report a considerable demand for cattle money. Save for the slight increase in the upper range of commercial paper and shading on collateral loans, current rates in Chicago remain unchanged from a month ago, commercial paper carrying $3\frac{1}{4}$ to $3\frac{3}{4}$ compared with $3\frac{1}{4}$ to $3\frac{1}{2}$ in September, over-the-counter loans $4\frac{1}{2}$ to 5, and collateral loans 4 to $4\frac{1}{4}$.

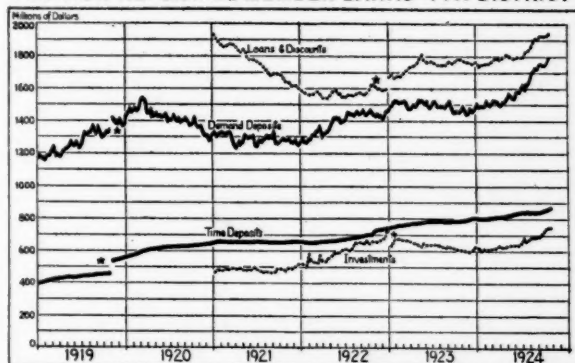
Unofficial returns from the October 10 call of the Comptroller of the Currency and State Banking Department show total deposits of Chicago banks on that date as \$2,457,399,000, compared with \$2,342,569,000 on June 30. Loans and discounts, shown as \$1,636,231,000, represented an increase of approximately \$125,000,000 over June 30.

Loans to member banks by the Federal Reserve bank exhibited a downward trend during September and first half of October, though occasional increases were shown in week-to-week comparisons. The total on October 22 of \$27,957,000 was less than that on September 24 by \$940,000. On October 24 a year ago loans totaled \$111,952,000. Heavier holdings of United States government securities and purchases of bills in the open market found reflection in total earning assets of more than 14 million above September 24, but as compared with October 24, 1923, they were less by nearly 26 million. Federal Reserve notes in circulation increased slightly on October 15, as compared with the figure for the preceding reporting date, October 8, this constituting the first upward movement shown by the week-to-week comparison since February 13. On October 22 they dropped \$2,255,000 from the preceding week.

Reporting member banks in Chicago and Detroit increased their loans and discounts slightly more than 22 million on October 15, as compared with September 17, the corresponding reporting date a month ago. The greater part of this gain took place in Chicago on loans secured by stocks and bonds. In other selected cities loans and discounts decreased slightly more than 4 million. Investments of reporting members in Chicago and Detroit, as well as in other selected cities increased throughout the month, totaling \$630,266,000 for the former group, and \$113,470,000 for the latter. These aggregates show gains of approximately 30 million and 3 million, respectively, over September 17. Demand deposits of \$1,530,494,000, shown on October 15 for Chicago and Detroit members, represented

a new high point; the total on October 17, 1923, was \$1,214,317,000, and on September 17 of this year slightly over \$1,502,000,000. In other selected cities, demand deposits on October 15 increased about $4\frac{1}{2}$ million since September 17, and were only about 13 million above the aggregate on October 17 a year ago. Time deposits in Chicago and Detroit moved upward over 17 million since September 17, but in other selected cities the gain was slightly less than one million.

POSITION REPORTING MEMBER BANKS—7TH DISTRICT



Break in curve indicates data not comparable with preceding. Based on weekly reports to this bank by approximately 49 member banks in Chicago, 13 in Detroit, and 44 in other selected cities. Latest figures shown October 15, 1924, in thousands of dollars: Loans and Discounts, 1,950,370; Demand Deposits, 1,795,314; Time Deposits, 873,693; and Investments, 743,736.

The turnover of commercial paper in September by ten dealers in this district contracted 5.5 per cent from the preceding month, but was 25.2 per cent over September, 1923. Sales in the first half of October were indicated as slightly larger than in the corresponding period of the previous month. At the close of September the outstanding paper of four dealers reporting the item aggregated 5.4 per cent more than on August 31 and 12.9 per cent above a year ago. There was no pronounced change in rates, the largest amount of paper being disposed of at $3\frac{1}{4}$ @ $3\frac{1}{2}$ per cent as in August; quotations above 4 per cent for high and 3 per cent for low have practically disappeared. In the first two weeks of October rates were substantially unchanged from the preceding month, but exhibited a firmer tendency. The demand for paper in September and the first half of October was fairly good, but somewhat less brisk than in August. The supply continued restricted, some brokers having a market for more paper than they could obtain.

Extensive recessions in the activities of seventeen accepting banks in this district were evidenced in the returns for September. The volume of bills accepted was about one-half that of August, purchases receded to the smallest volume in a year, while sales were 40.5 per cent less than in the preceding month. Holdings at the close of September decreased 15.5 per cent in the aggregate and 3.7 per cent in the banks' own acceptances from August 31. The liability of the acceptors on bills outstanding September 30 was 5.5 per cent smaller than at the end of August. All items were considerably greater than in September, 1923. Bills accepted during the first half of October were in about the same volume as in the corresponding period of September.

Operations of this bank in the open bill market in September resulted in purchases of \$7,995,282, an increase of 2.7 million over August. Month-end holdings were \$9,404,524, compared with \$5,585,384 on August 31.

During the five weeks ended October 15 the operations of five district dealers in the open bill market were greatly curtailed from the prior four-week period. On a weekly average basis, the volume of purchases in the period under review receded 61.8 per cent from the preceding four weeks, while total sales were reduced 45.2 per cent. A decline of 69.9 per cent in average weekly sales to local banks was the largest recorded for the period; those to the Federal Reserve bank were 27.3 per cent smaller, to out-of-town banks slightly increased, and to others about double in volume. Holdings on October 15 were 17.2 per cent less than on September 10, the date of the last report. Rates remained practically unchanged during the period under review, although exhibiting a slight tendency toward softness; 90-day and shorter term bills were bid at $2\frac{1}{8}$ to $2\frac{3}{8}$ per cent, and longer maturities at $2\frac{3}{8}$ to $2\frac{1}{2}$ per cent on October 15. The supply of bills remained fairly good, but demand was only fair, preference being shown for three months' bills and less. Movement at the offered rates was restricted. Commodities principally involved were grain, provisions, oil, leather, and cotton.

Agricultural Financing—Twenty-two Joint Stock Land banks reported loans outstanding in the five states including the Seventh district on September 30 as \$160,852,901, compared with an aggregate of \$158,587,745 at the end of August. Loans outstanding in the same territory as reported by four Federal Land banks as of September 30 totaled \$144,004,945, a slight increase from the figure reported a month earlier, and four Intermediate Credit banks showed loans and discounts as \$1,299,509, or about \$36,000 less than on August 31. The subjoined table indicates the distribution by states of the outstanding loans of these banks on September 30:

	JOINT STOCK LAND BANKS	FEDERAL LAND BANKS	*INTERMEDIATE CREDIT BANKS
Number of Banks.....	22	4	4
Illinois.....	\$47,989,599	\$21,654,640	\$ 468,905
Indiana.....	31,710,234	31,170,455	17,201
Iowa.....	75,041,224	48,482,450	59,227
Michigan.....	1,629,744	18,227,600	1,135
Wisconsin.....	4,482,100	24,469,800	753,041
Total.....	\$160,852,901	\$144,004,945	\$1,299,509

*Includes direct loans and rediscounts.

Volume of Payment by Check—The aggregate volume of payment by check in September as reported by twenty-four clearing house cities in the district, changed little from August, dropping to only 0.8 per cent below that month. In the four larger cities, Chicago, Milwaukee, Detroit, and Indianapolis, the decline was 1.2 per cent, compared with a gain of 1.6 per cent in the twenty smaller centers, fourteen of which showed gains over August. Compared with the reports for September a year ago from the same cities, however, volume of check payment showed a gain this year of 5.4 per cent in the aggregate. For the four larger cities the increase was 5.3 per cent and 6 per cent for the total of the twenty smaller cities.

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	AGGREGATE SEPTEMBER, 1924 (000 OMITTED)	PERCENTAGE CHANGES FROM AUGUST, 1924	SEPTEMBER, 1923
Chicago.....	\$2,814,495	-1.8	+7.0
Detroit.....	646,974	-1.0	+3.0
Indianapolis.....	246,306	+3.3	-5.1
Milwaukee.....	145,136	+1.5	+2.9
Total 4 cities.....	\$3,852,911	-1.2	+5.3
Total 20 cities.....	640,594	+1.6	+6.0
Total 24 cities.....	\$4,493,505	-0.8	+5.4

Savings—Both the aggregate volume of savings deposits and the amount of the average account in this district on October 1 increased, the former 0.1 per cent and the latter 0.2 per cent, over September 1, as reflected by reports from 201 banks. The only decrease in amount of deposits occurred in Illinois; Iowa's volume was practically unchanged, while the increases in the other states ranged from 0.1 per cent to 0.5 per cent. Banks reporting increased deposits gave the reason as more nearly normal industrial conditions, while those experiencing declines, reported continuance of unemployment and a desire on the part of depositors for a higher rate of interest. The average savings account increased over September 1 in all states except Wisconsin, where there was a recession of 0.2 per cent. The increases in average deposits elsewhere ranged from 0.1 per cent in Indiana to 0.3 per cent in Michigan.

All states showed increases in the amount of savings deposits compared with October 1, 1923. The smallest rise was 0.7 per cent in Indiana, while others varied from 3.3 per cent to 5.9 per cent, the largest gains occurring in Iowa and Michigan. In the year-to-year comparison of average accounts Indiana showed a recession of 1.1 per cent, but all other states recorded increases. The largest rise was 2.5 per cent in Iowa; in other states increases varied from 0.1 per cent to 0.8 per cent. The rise for the district was 0.7 per cent.

Bonds—After a temporary lull in activity in the bond market in the early part of September, the demand continued as favorable as in the previous month, strength being evidenced in practically all classes of securities. Prices held firm with a slight rising tendency in the public utility and municipal groups. Considerable interest has been revived in foreign issues, exemplified by the successful flotation of the German loan the second week of October. Institutions continue large buyers of short-term paper with a high degree of marketability, although some dealers report a shifting from short- to long-term securities on the part of some of the banks. There appears to be a scarcity of good bonds in almost every class, according to dealers reporting direct to this bank. This condition also prevails in the market for high-grade first mortgage real estate bonds, sales being handicapped on account of the dearth of bonds. The tendency is toward lower interest rates for this class of bonds, one large house reporting that by the end of October there will be no bonds yielding $6\frac{1}{2}$ per cent on its shelves, and that in the future the yield will be 6 per cent, while another house dealing in the same class of securities reports a leaning toward the 6 per cent yield, but it will be several months before permanently in effect.

AGRICULTURAL PRODUCTION AND FOODSTUFFS

Reports from agents representing 161,201 farmers in 142 counties show that in a major portion of the Seventh district a moderately large percentage of the corn ears had not reached the hard dough stage when the first frost damage was experienced this autumn. Although the weather thus far in October has been favorable for drying out the corn, especially grain dented in September, nevertheless, a smaller part of the total crop than usual is of merchantable quality. Some of the corn produced on low land or in counties in the northern part of the district was too green to crib, so that farmers in these localities having sufficient storage facilities are converting this portion of their 1924 crop into silage. Indications point to the possibility that the amount of corn actually cribbed this season may be even less than anticipated in September.

Potatoes have ripened fairly satisfactorily and with the digging of the late varieties now well under way, reported yields in most parts of the district continue to average better than a year ago. Slightly more acreage is being seeded to wheat than in the autumn of 1923, but that of rye shows no material change.

CROP PRODUCTION

Estimated by the Bureau of Agricultural Economics as of October 1

(In thousands of bushels)

	SEVENTH DISTRICT		UNITED STATES		1918-22 5-Yr. Av.
	FORECAST 1924	FINAL 1923	FORECAST 1924	FINAL 1923	
Corn	749,106	976,124	2,458,809	3,046,387	2,899,428
Oats	592,124	490,254	1,509,409	1,299,823	1,302,516
Total Wheat	64,900	82,965	855,806	785,741	880,989
Potatoes (White)	75,075	70,752	423,508	412,392	390,616
Tobacco*	37,094	50,354	1,181,620	1,491,066	1,360,661
Hay**	22,006	18,003	109,152	106,626	102,200

*In thousands of pounds.

**In thousands of tons.

The crop of beans in Michigan is estimated at 5,621,000 bushels for 1924, compared with 6,532,000 bushels in 1923, according to the report for October 1 issued by the Michigan department of the United States Bureau of Agricultural Economics.

GRAIN MARKETING

The volume of small grain moved from farms to terminals in the United States during September was nearly double that shipped in the corresponding month of 1923. The receipts of wheat were only slightly less than in August, those of oats increased 93.4 per cent, while corn continued to arrive in moderate quantities. September shipments from interior primary markets rose above the total for the previous month and exceeded that for September last year.

The visible supply of wheat in the United States, Canada, and the United Kingdom aggregated 191,034,000 bushels on October 11, 1924, compared with 155,565,000 bushels on September 13, 1924, and 177,560,000 bushels on October 13, 1923.

VISIBLE SUPPLY OF GRAIN IN THE UNITED STATES

Figures supplied by the Chicago Board of Trade

(In thousands of bushels)

	WHEAT	CORN	OATS	RYE	BARLEY
October 18, 1924					
Warehouses and Afloat	85,358	8,395	62,785	13,683	5,047
Bonded	3,895		569	828	1,281
September 13, 1924					
Warehouses and Afloat	76,930	4,869	29,713	16,157	2,704
Bonded	2,603		1,776	1,059	240
October 20, 1923					
Warehouses and Afloat	66,529	988	19,626	16,420	3,721
Bonded	5,321		154	1,355	245

Flour—A further slight gain in flour production was registered during September in this district, total output of

thirty-six reporting mills being 3.8 per cent larger than in August. Wheat flour increased only 2.3 per cent, while other flour gained 55.1 per cent. In comparison with September, 1923, wheat flour output was 23.6 per cent greater, with other flour showing a loss of 15.4 per cent, so that aggregate production was 21.1 per cent in excess of that month. The September operating ratio was 70.3, compared with 65.1 in August, and 60.5 a year ago. Owing to the heavier production schedules of the past two months, stocks of flour are becoming larger. Those on hand September 30 exceeded August 31 inventories by 19.1 per cent. Wheat stocks were enlarged 16.3 per cent over the preceding month, with considerably more wheat held by mills than on September 30, 1923.

Sales were higher in the comparisons with August and a year ago. The volume of flour sold during September was 9.3 per cent in excess of August sales and 23.2 per cent above those of September, 1923. The dollar amount of these sales increased 7.9 and 43.5 per cent, respectively, in the same comparisons.

Flour received at Chicago in September aggregated 1,123,000 barrels, representing an increase of 59,000 barrels over August receipts and of 184,000 barrels over those of last year. Shipments were 771,000 barrels in comparison with 663,000 barrels in August and 715,000 barrels in September, 1923. These figures were reported by the Chicago Board of Trade.

MOVEMENT OF LIVE STOCK

September marketing of hogs continued below that of a year ago and remained approximately on the same limited scale as in August, but receipts and slaughter of other live stock increased. The aggregate cattle slaughter at public stock yards in the United States reached a point higher than in any month subsequent to October, 1922, while that for sheep and lambs exceeded each monthly total since October, 1921.

LIVE STOCK SLAUGHTER

	CATTLE	HOGS	SHEEP AND LAMBS	CALVES
Yards in Seventh District,				
September, 1924	249,949	660,957	357,926	92,212
Public Stock Yards in U. S.				
September, 1924	876,548	1,959,044	1,097,165	435,161
August, 1924	715,643	2,016,593	977,845	375,921
September, 1923	763,166	2,275,930	893,852	340,945

A large seasonal increase occurred in the movement of cattle, calves, and lambs back to farms during September. Compared with a year ago, shipments to feed lots declined for cattle and calves, but increased for lambs.

AVERAGE PRICES OF LIVE STOCK

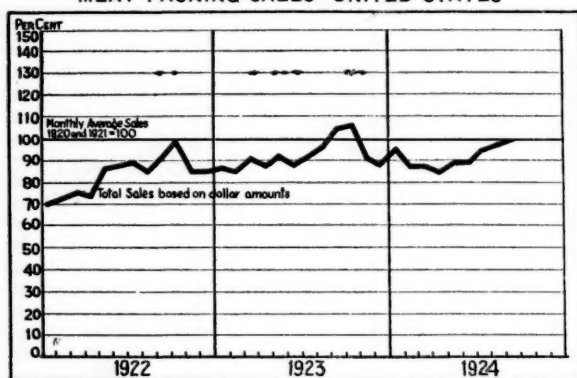
Per hundred pounds at Chicago

	WEEK ENDED		MONTH OF	
	OCT. 18 1924	SEPT. 1924	AUG. 1924	SEPT. 1923
Native Beef Steers (average)	\$10.35	\$ 9.70	\$ 9.60	\$10.20
Fat Cows and Heifers	4.85	5.40	5.65	5.75
Canners and Cutters	2.85	2.85	2.75	3.00
Stockers and Feeders	6.10	6.10	5.95	6.45
Hogs (bulk of sales)	10.65	9.50	9.30	8.30
Sheep	6.10	6.05	6.55	7.10
Yearling Sheep	9.50	9.40	9.70	10.50
Lambs	13.25	13.30	13.50	13.25
Calves	9.75	11.75	11.65	12.10

Meat Packing—Aggregate production in September was slightly greater than in the preceding month, gains in beef and mutton more than offsetting a slight decline in pork packing. Employment increased 0.1 per cent in number, 0.1 per cent in hours worked, and 0.5 per cent in total pay-

rolls for the period covered by the last pay-date in September, compared with the corresponding period in August. September sales in dollars reported direct to this bank by fifty-one companies in the United States aggregated 2.3 per cent above August, but totaled 2.6 per cent under those for the corresponding month in 1923. Supplies of meat and lard in cold storage warehouses in the United States declined in September, although October 1 inventories were somewhat higher than the 1921-23 three-year average for that date. Prices of veal and lamb declined and those for a majority of the cuts of beef and pork eased somewhat from those prevailing at Chicago in August. A definite upward trend in prices of pork products began toward the close of September and in early October the level of pork prices was higher, but those of other commodities continued on a lower basis than at the beginning of the preceding month.

MEAT PACKING SALES—UNITED STATES



Based on reports to this bank by 64 companies. Latest figure shown September, 1924: 99.5.

Improved foreign demand for pork products was noticeable toward the close of the month according to reports from representative establishments, but the aggregate of meats and lard exported in September was slightly less than in August. Prices in Continental markets continue on a parity with those in the United States, but in the United Kingdom hams and shoulders are selling somewhat below

the equivalent in our domestic markets. Inventories of consigned goods already abroad were indicated as lower on October 1 than at the beginning of September.

DAIRY PRODUCTS AND POULTRY

Seasonal contraction in the output of creamery butter continued in September. Production in the district lowered 15.4 per cent from August, but rose 14.9 per cent above that in September of last year, while sales declined 9.8 per cent from the preceding month but increased 14.1 per cent over the corresponding period in 1923, according to statistics compiled from reports sent direct to this bank by representative concerns in the Seventh district. Butter production in the United States also trended downward from the high point in June. Largely on account of the high rate of activity maintained during the third week of the month, Wisconsin factories manufactured more cheese in September than in either the prior month or in September last year. Production, however, is now tending to slacken somewhat.

Poultry receipts declined more than 50 per cent at Chicago compared with the corresponding period in 1923 and were less than in August, 1924; those of butter and eggs showed further seasonal recession from a month ago. A heightened volume of butter and cheese but diminished quantity of eggs were received at this market during September than was the case a year ago.

Although stocks of dairy products at cold storage warehouses in the United States were reduced on October 1 in comparison with those for the prior month, inventories of butter continued on a very high level, and those for cheese were somewhat greater than on October 1, 1923. Holdings of poultry increased compared with those for the preceding month and a year ago.

Prices of chickens declined slightly; butter held fairly steady, although easing somewhat toward the end of the month; but other products were on a somewhat firmer price basis at Chicago than in August. In the early part of October prices as a rule were holding firm or tending slightly upward although those of cheese, fowls, and chickens were moving toward lower levels.

FUEL AND POWER PRODUCTION

COAL

Continued though gradual improvement was evident in the bituminous coal industry during September. Demand for domestic sizes gained seasonally, further stimulated by cooler weather than usually prevails in that month. Buying by industrial users, however, remained light. A gain of 18.0 per cent over August was represented in total production of 41,023,000 tons for the United States. With the exception of the week including Labor Day, weekly output expanded steadily from 8,719,000 tons during the week ended August 30 to 10,268,000 tons for the week ended October 4. This amount is not far below that mined in the corresponding week of 1923 and is in excess of the output for the same period in 1922 and 1921. The daily rate of production for the week ended October 4 was 1,711,000 tons, in comparison with 1,453,000 tons for the week ended August 30. The *Coal Age* index of spot prices registered slight gains for each week of September and the first week of October stood at \$2.07, a

total advance of six cents over the corresponding week in the preceding month. These increases were due largely to the rise in prices of domestic sizes of coal.

The trend is definitely upward in the Illinois and Indiana districts. Production in Illinois during September was 7,182,330 tons, an increase of 1,877,230 tons over August, or 35.4 per cent. This amount is larger than in any September since 1920. The percentage of operating time lost due to lack of orders continued to diminish in both Indiana and Illinois, while the percentage of time actually worked increased materially.

Decreases of 9.9 and 7.3 per cent from August and from September, 1923, respectively, were reported in the loadings of bituminous coal at Lake Erie ports. The following table was compiled from figures furnished by the Ore and Coal Exchange and indicates the actual tonnages:

	SEPTEMBER, 1924	AUGUST, 1924	SEPTEMBER, 1923
Cargo	3,184,289	3,554,221	3,416,936
Fuel	191,161	192,465	223,936
Total	3,375,450	3,746,686	3,640,872

Distribution of bituminous coal to American ports on Lake Superior during September was 1,341,647 tons, and to Lake Michigan ports 789,566 tons. The corresponding August figures were 1,495,005 and 884,022 tons.

The dwindling of bituminous coal stocks is revealed in the recent inventory taken by the Government. Commercial stocks on September 1, 1924, aggregated 47,000,000 tons, an amount 4,000,000 tons less than on June 1 and 15,000,000 tons below the inventory of January 1. In comparison with the same date a year ago, a decline of 9,000,000 tons was registered.

An active anthracite market existed throughout September, with stove coals moving better than other sizes and prices firm. Output for the month was 7,601,000 tons, an increase of 515,000 tons over August, and this amount compared favorably with other years. The week ended October 4 witnessed a decided lowering in production, due to the flooded condition of many mines caused by heavy rainfalls.

ELECTRIC ENERGY

In response to the customary seasonal increase in demand for electric energy in September, average daily pro-

duction and sales of nine central station companies in this district were augmented 5.8 per cent and 4.6 per cent, respectively, over August. The increases shown in the month under review compared with a year ago are more extensive, on the whole, than any reported since May this year. Showing a slightly greater shrinkage from 1923 than in August, average working day industrial sales in September receded for the third successive month in the year-to-year comparison. The productive capacity of the plants, measured in kilowatts, increased 2.6 per cent over August, and 16.3 per cent above September, 1923.

CHANGES IN SEPTEMBER, 1924, FROM PREVIOUS MONTHS

Compiled from direct reports to this bank from nine companies

	SEPTEMBER 1924	PER CENT CHANGE FROM	
		AUGUST 1924	SEPTEMBER 1923
Plant output (K.W.H.).....	534,378,208	+2.4	+6.3
Plant output (daily average—K.W.H.).....	17,812,607	+5.8	+6.3
Peakload demand (K.W.).....	1,315,559	+4.6	+2.0
Industrial sales (K.W.H.).....	224,087,330	+0.6	+2.1
Industrial sales (working day average—K.W.H.).....	8,963,493	+4.6	—2.0
	SEPTEMBER 1924	PER CENT CHANGE FROM	
		AUGUST 1924	SEPTEMBER 1923
Ratio peakload demand to plant capacity.....	67.6	66.4	77.1
Load factor.....	56.4	55.8	54.1

INDUSTRIAL EMPLOYMENT CONDITIONS

Reports from industrial plants of the district show little change in volume of employment for the two months previous to September 15, but indicate a gradual increase in payrolls. Plants employing approximately 370,000 workers made increases of 0.2 per cent in men and 2.1 per cent in payrolls for the period August 15 to September 15. For the month preceding August 15, there was a similar increase in payrolls, but the volume of men employed fell off 0.2 per cent. In Illinois, the slight improvement was evidenced further in a decrease of applicants for the number of places available through the state employment offices, the ratio declining from 152 to 143 per cent during September. Indiana, however, experienced a slight increase, the ratio changing from 123 to 128 per cent. Outdoor work continues active and is still employing a considerable volume of labor. Many of the coal mines have re-

sumed operations and reports indicate an increase of 25 per cent in both men and payrolls of this industry. Distributive industries, such as retail and wholesale trade, are also filling additional requirements.

Of the industries noted in the accompanying table, metals and metal products made general advances, but a heavy decline in the manufacture of electrical apparatus caused a loss in the total employment of the group. Men's clothing, constituting about one-third of the employment under textiles and textile products, registered a 10 per cent decline, more than offsetting the gains shown for women's wear and knit goods. Meat packing improved slightly, but dairy products declined, resulting in a decrease for the food group. The stone, clay, and glass products group has been gradually curtailing operations for several months past. For all other industries noted, the aggregate reports indicate definite gains.

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

INDUSTRIAL GROUP	NUMBER OF WAGE EARNERS WEEK ENDED			TOTAL EARNINGS WEEK ENDED		
	SEPTEMBER 15	AUGUST 15	PER CENT CHANGE	SEPTEMBER 15	AUGUST 15	PER CENT CHANGE
All groups (10).....	371,491	370,643	+0.2	\$9,015,974	\$8,832,940	+2.1
Metals and metal products (other than vehicles).....	139,048	140,671	—1.2	2,933,945	2,835,536	+3.5
Vehicles.....	42,259	40,530	+4.3	1,237,507	1,162,089	+6.5
Textiles and textile products.....	30,328	30,944	—2.0	701,962	701,992	—0.0
Food and related products.....	54,878	55,475	—1.1	1,412,397	1,435,379	—1.6
Stone, clay, and glass products.....	12,269	12,602	—2.6	363,133	374,315	—3.0
Lumber and its products.....	35,273	34,583	+2.0	838,424	815,706	+2.8
Chemical products.....	9,145	8,618	+6.1	231,543	220,321	+5.1
Leather products.....	16,576	15,841	+4.6	347,961	355,868	—2.2
Rubber products.....	2,894	2,837	+2.0	77,603	78,859	—1.6
Paper and printing.....	28,821	28,542	+1.0	871,499	852,875	+2.2

MANUFACTURING ACTIVITIES AND OUTPUT

AUTOMOBILE PRODUCTION AND DISTRIBUTION

Continuation of the August gain in automobile production is shown in the September reports received by this bank, a trend contrary to that of past years at this time. Although the comparison with a year ago indicates a smaller rate of operations, a more favorable showing was

made than in any month since April. Passenger cars produced during September by identical manufacturers representing practically complete production, aggregated 257,868, a gain of 2.5 per cent over August, but a decline of 13.6 per cent under a year ago. Trucks built during the month by manufacturers whose August output was 26,781, amounted to 29,410, an increase of 9.8 per cent over Au-

gust and 5.6 per cent above September, 1923. Daily average production of passenger cars gained 6.6 per cent over August, and that of trucks 14.2 per cent, these heavier increases as compared with aggregate production being principally the result of fewer working days in September. Total production of passenger cars and trucks during the nine months of 1924 reached 2,819,968, representing, however, a decrease of 6.8 per cent from the same period in 1923.

September shipments of automobiles by manufacturers producing 71 per cent of the September output, to their dealers, increased 3.1 per cent over August, but fell 16.9 per cent below a year ago; sales reported by the dealers aggregated 12.2 per cent less than August and 4.7 per cent below a year ago. The cars thus received during September represented 103.8 per cent of September sales, compared with a ratio of 88.4 per cent in August and 119.1 per cent in September, 1923.

Automobile distributors in the Middle West report considerable slowing up during September compared with August in the movement of new cars into hands of dealers, although the comparison with September, 1923, indicates increased activity. Sales of new cars at retail also fell off during the month. Stocks of new cars with dealers increased on September 30, compared with the preceding month and year. Sales of used cars were below those of August, but remained at a point considerably above last year. The number of salable used cars on hand at the close of the month was greater than at the close of August, as well as on September 30, 1923, and represented 120.0 per cent of the number sold during the month.

DISTRIBUTION OF AUTOMOBILES

Changes in September, 1924, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	AUGUST 1924	SEPTEMBER 1923	AUGUST 1924	SEPTEMBER 1923
Number of new cars sold				
Wholesale	-11.3	+15.5	48	43
Retail	-19.5	-16.7	81	77
Value of new cars sold				
Wholesale	-9.3	+10.4	48	43
Retail	-19.6	-19.6	81	77
New cars on hand at end of month				
Number	+6.6	+13.0	84	81
Value	+9.3	+11.7	84	81
Used cars sold during the month	-13.8	+24.4	81	78
Salable used cars on hand at end of month				
Number	+7.4	+15.6	79	75
Value	+3.1	+2.3	79	75

Marked improvement in the exports of automobiles from the United States was shown during August compared with the previous month and year. Passenger cars shipped numbered 12,220, a gain of 22.9 per cent over July and 45.3 per cent more than a year ago. The value of these shipments amounted to \$9,157,170, or 26.2 per cent above July and 53.8 per cent higher than August, 1923. Trucks exported numbered 2,351, with a value of \$1,791,655, showing gains of 34.2 per cent and 33.6 per cent, respectively, over the preceding month. Compared with a year ago increases of 42.8 per cent and 60.0 per cent were made.

AGRICULTURAL MACHINERY AND EQUIPMENT

Although a number of manufacturers concerned primarily with the production of farm wagons, ensilage cutters, and tractors reported September shipments in larger volume than in August, these increases were offset by declines in nearly all of the other lines and as a result

the aggregate domestic sales of agricultural machinery and equipment moved seasonally downward in September. Production, however, remained at approximately the same level as last month, but continued at a much lower rate than a year ago. The average number employed at plants in the United States during September, 1924, was equivalent to 49.6 per cent of the estimated normal number for that month. An analysis of reports indicates that the collection situation in this industry has improved slightly in the last month.

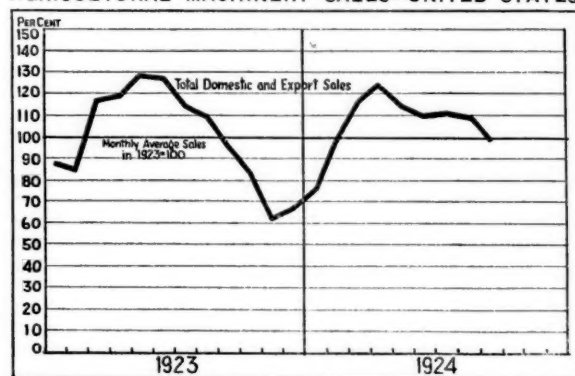
PRODUCTION AND SALES OF FARM EQUIPMENT IN THE U. S.

Changes in September, 1924, from previous months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	AUGUST 1924	SEPTEMBER 1923	AUGUST 1924	SEPTEMBER 1923
Domestic sales	-7.5	+13.8	108	108
Sales billed for export	-18.3	-37.1	108	108
Total sales	-9.0	+3.3	108	108
Production	-0.2	-19.2	103	102

Sales based on dollar amounts. Production computed from employment.

AGRICULTURAL MACHINERY SALES—UNITED STATES



Based on reports to this bank by 130 manufacturers. Latest figure shown September, 1924: 99.2.

IRON AND STEEL PRODUCTS

Despite the confusion arising from the latter part of September from the abandonment of the "Pittsburgh plus" system of price basing, the steel trade, in general, maintained for September the improved position established in August. Moderate progress characterized the first two weeks of the month, followed by some restraint on the part of buyers, who were awaiting the outcome of the new price bases. The United States Steel Corporation has now made readjustments in prices of wire products, tubular goods, sheets, tin-plate, and cold-finished steel, and some of the independent companies have followed this lead. Rails, plates, shapes, and bars have been little affected by the change. Subsequent to these revisions, buying was on a larger scale and inquiries more numerous. The expansion in demand from the railroads was unusually large during September, the greater volume of new business booked coming from this source. Buying of wire products has been somewhat more extensive and awards for structural steel have recently increased. Orders booked by the United States Steel Corporation during September were greater than in August, while unfilled orders on hand on September 30 amounted to 3,473,780 tons, exceeding those of August by 5.6 per cent. Steel ingot production in the United States was 2,814,996 tons, an increase of 10.8 per cent over August, with operations averaging 63 per cent of capacity.

The situation in the Chicago district during September was more favorable than in other centers, chiefly owing to the fact that this territory is the center of railroad activity. In addition, however, increased buying by the agricultural implement and automobile industries was in evidence; there was a good volume of business in oil storage tanks; and sizable orders for sheet, wire products, pipe, and structural steel have been placed. Inquiries in this district the first of October were the largest in two years. September sales by leading producers showed substantial gains, increases averaging about 80 per cent over August, while shipments increased 30 per cent.

The pig iron market for the country as well as for the Chicago territory was comparatively quiet throughout September; purchases were conservative and confined to small lots for prompt shipment. Both production and shipments, however, exceeded the August rate. A net gain of twenty-three furnaces blown in was made during September and an increase of 12.4 per cent over August was registered in the average daily rate of output in the United States, while the daily rate in the Indiana and Illinois district gained 15 per cent.

The United States composite average of iron and steel prices, as reported by the *Iron Trade Review*, declined again in September, dropping from \$39.35 on August 27 to \$38.67 on October 1. This latter level was maintained, however, on October 8. Pig iron prices at Chicago remained firm at \$20.50. Prices of scrap iron at Chicago advanced the early part of September, but weakened again at the end of the month.

Zinc—A further decline in the production of slab zinc was reported for September. Total output aggregated 40,852 tons compared with 41,775 tons in August, a decrease of 2.2 per cent. The volume of shipments was greater by 5.7 per cent than in August, this being the third month to register a gain in this item. Stocks again declined and were lower than at any time since May. The amount of ore shipped from the Joplin district during September was less by 17,850 tons than the August volume, the total tonnage being 55,876. The average price rose to \$43, this in comparison with \$42.19 in August, and \$39.44 in September, 1923.

Casting Foundries—The aggregate consumption of pig iron and iron and steel scrap by twenty-nine reporting casting foundries in this district increased in September over the preceding month, although not to the same extent as in August compared with July. The shrinkage in shipments, in value and tonnage, from the prior month is slightly smaller than that of August. Declines from 1923, although large, were slightly less pronounced than in August. Production in September averaged 57.3 per cent of capacity, compared with 59.9 per cent in the previous month. Casting shipments averaged \$146 per ton in September and August, compared with \$159 in September a year ago.

CHANGES IN SEPTEMBER, 1924, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	AUGUST	SEPTEMBER	AUGUST	SEPTEMBER
	1924	1923	1924	1923
Pig iron consumed.....	+ 1.0	— 2.1	29	29
Iron scrap consumed.....	+ 6.7	—39.1	29	29
Steel scrap consumed.....	— 0.1	—33.2	29	29
Total tonnage consumed + 0.7	—26.4		29	29
Castings shipped				
(tonnage)	— 3.1	—25.4	28	28
Castings shipped				
(dollars)	— 3.3	—31.8	28	28

Stoves and Furnaces—Shipments of sixteen reporting stove and furnace manufacturers in this district in September aggregated 49.9 per cent more in value than in August. This increase, seasonal in nature, is larger than the corresponding comparison for any of the preceding three years. Orders accepted by thirteen of these producers in September totaled 86.2 per cent more than in the prior month, a September-August comparison exceeded but once (in 1922) since these firms started reporting. Stocks were again reduced in September, as the improvement in shipments proceeded more rapidly than in production.

CHANGES IN SEPTEMBER, 1924, FROM PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	AUGUST	SEPTEMBER	AUGUST	SEPTEMBER
	1924	1923	1924	1923
Shipments	+49.9	+ 6.6	16	15
Orders accepted.....	+86.2	+31.6	13	12
Inventories	—13.4	— 5.8	12	11
Operations (moulding room)	+10.4	+ 2.2	14	14

SHOE MANUFACTURING, TANNING, AND HIDES

Production and shipments in the shoe manufacturing industry during September exceeded those for August, a development somewhat contrary to the usual trend of the industry in the autumn, when September is apt to mark a brief lull between high points in August and October. For the first time in 1924, moreover, both shipments and production were greater than for the corresponding period a year ago. Most companies reported smaller stocks on October 1 than at the beginning of September, but purchases of shoes by a few factories offset this decline and partially accounted for an increase in aggregate holdings over those a month ago. Shipments were 13.8 per cent larger than the September production. Unfilled orders on the books of twenty-four companies were sufficient for nearly five and one-half weeks' business at the rate maintained during September. The total of inventories reported by twenty-four manufacturers was equivalent to approximately 60.3 per cent of the September shipments. Collections continue somewhat slow.

CHANGES IN THE SHOE MANUFACTURING INDUSTRY IN SEPTEMBER, 1924, COMPARED WITH PREVIOUS MONTHS

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	AUGUST	SEPTEMBER	AUGUST	SEPTEMBER
	1924	1923	1924	1923
Production	+19.9	+8.0	33	33
Shipments	+11.5	+6.9	33	33
Inventories	+11.3	+5.6	24	24
Unfilled orders.....	+ 5.5	+0.4	24	24

Sales of leather reported by tanners in the district aggregated slightly more than in August and exceeded those a year ago. Demand for harnesses and belting increased over that in the preceding month but was less than in September last year. Production rose above the August rate, but continued on a level approximately that of a year ago.

With volume of marketings at Chicago nearly equal in September to those in the prior month, prices of calf skins and packer green hides by the middle of October tended towards slightly firmer levels.

A greater volume of green hides and skins was forwarded out of Chicago during September than a month preceding according to statistics compiled by the Chicago Board of Trade.

FURNITURE

Increased activity was reported during September by furniture manufacturers in the Seventh district. For the second successive month shipments showed a considerable gain, those of nineteen firms being 25.8 per cent

greater than in August and 7.9 per cent above a year ago. Production was also larger, as evidenced in the higher operating ratio of 76.6 compared with 71.3 in the preceding month. The rate of output was below last year, however, fifteen factories reporting a ratio of 77.8 against 85.4 in September, 1923. Orders booked gained 28.7 per cent over August and 8.1 per cent over the corresponding month a year ago. Notwithstanding this influx of new business, unfilled orders on hand on September 30 were 5.2 per cent below those on August 31, in consequence of the heavier shipments during the month. On the first of October about four weeks' business remained on the books. Little change from August was reported in the collection situation, although the comparison with last year was unfavorable.

RAW WOOL AND FINISHED WOOLENS

Steady advancement characterized the raw wool market during September and early October. Prices on all grades of wool continued their upward trend, attaining the highest level so far this year, and were above those obtained a year ago. The supply of both fleece and pulled wools is becoming disturbingly light. In consequence, demand has been good, although manufacturers are some-

what reluctant to buy owing to the high asking prices. There also has been less speculation in the market during the past few weeks. Because of the popularity of woollens in the goods market, pulled wools continue active and the demand for noils is strong. Foreign markets are holding firm with higher prices in evidence at the September auctions in Sidney, Liverpool, and London.

Improvement has been noted of late in the finished goods market. Manufacturers are receiving encouraging orders for the 1925 season, although buying is still under normal. The importance of woollens in the field continues, while the development of the worsted lines has been slower. On September 22 the American Woolen Company opened its complete lines of women's wear for Spring, 1925, at prices generally lower than those of a year ago. Within a few days all woolen fabrics in this group were sold up and withdrawn, while some lines of men's woolen goods were also taken from the market. Prices were advanced on men's wear woollens, worsteds-and-woollens, and more recently on some worsted lines. These advances are mostly attributable to the increased cost of raw materials. Other openings of spring lines for women's wear trade have shown still further stimulation in the market.

BUILDING MATERIALS AND CONSTRUCTION ACTIVITIES

The movement of lumber continued satisfactory during September, although some curtailment from August and July activity was apparent. The amount of new business received was less, but shipments and cut held up well and all factors compared favorably with a year ago. Southern pine for the second month showed a declining tendency, while the market for hemlock and low-grade hardwoods was comparatively active. Receipts and shipments of lumber at Chicago decreased from the preceding month, but were considerably ahead of September, 1923. Sales by twenty-six manufacturers and dealers in the Seventh district were 5.0 per cent above those made last month and 11.4 per cent below those of the corresponding month last year. Box factories, railroads, the automobile, furniture, and building industries were again the heaviest buyers; most of the firms, however, reported that there were no large orders received. Stocks on hand approximated those of a year ago. Prices varied little from those in August. The collection situation remains about the same.

Production in the common brick industry was well maintained during September in the Chicago district. Demand has slackened somewhat, but orders continue to arrive in good volume and there is little prospect that an overabundance of stocks will be accumulated. Some improvement in activity was reported in the Iowa district. Prices were about the same as in August.

September shipments and production of cement in this district were heavy, with some delays in shipments reported on account of wet weather. Because of the continued high rate of production, stocks are sufficient for all needs. For the United States, cement output declined 4.0 per cent from August to 14,519,000 barrels, but was greater than in any other month. Shipments held up well. Stocks were the lowest of the year, although they were over 51 per cent in excess of September, 1923.

BUILDING CONSTRUCTION

A diminution in construction volume took place in the Seventh district during September, as reflected in the decline of 12.4 per cent in the total value of contracts awarded. The aggregate of \$54,595,889 compares favorably, however, with the September volume last year, showing a 7.4 per cent increase over that month, while the cumulative amount for the first nine months of 1924 is still ahead of the corresponding period of 1923 by 2.1 per cent. With the exception of Wisconsin the states including this district showed recessions from the preceding month. In the year-to-year comparison, contract awards increased in Illinois and Wisconsin, but decreased in Indiana, Iowa, and Michigan. Residential building continues far in advance of last year, Wisconsin alone having a smaller total for this class of construction. A decline, however, of 15.8 per cent was reported for the district from the August, 1924, figure. The ratio of residential awards to total contracts granted also was smaller, standing at 40.9 compared with 42.6 in the preceding month.

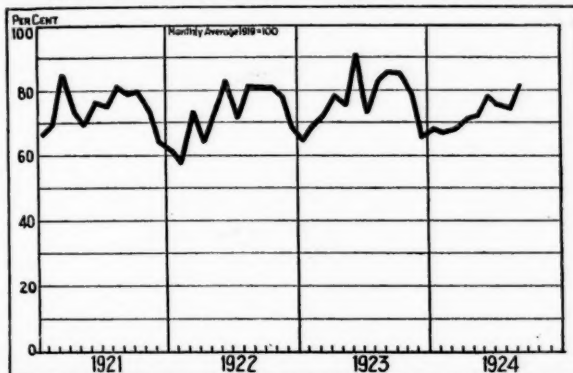
After a three months' steady decline, the number of building permits issued in fifty cities of this district showed a gain in September. The value of these projects, nevertheless, was less than in either August this year or September, 1923, the decreases being 2.5 and 2.6 per cent, respectively. The amount of proposed construction in Detroit and Milwaukee was in excess of the preceding month and a year ago, while that in Chicago, Indianapolis, and Des Moines was below August and, with the exception of Indianapolis, less than in September last year. Increases over August in the number of permits were reported in all of these cities except Milwaukee. In the remaining forty-five reporting cities, the estimated cost of contemplated work declined 15.0 per cent from the preceding month and 7.8 per cent from September, 1923, while the corresponding comparisons in number revealed increases of 11.6 and 6.9 per cent, respectively.

MERCHANDISING CONDITIONS

Wholesale Trade—A substantial broadening in demand characterized wholesale trade in this district during September. With eleven exceptions all dealers reporting the month's sales to this bank made gains over August, effecting, for the first time since January, increases in all commodity groups.

This general expansion contrasts with last year when only half the dealers reported gains over August and grocery firms averaged the one group increase. The accompanying chart shows, however, that the increase in grocery sales this September followed a drop in August, whereas in 1923 the upward trend began a month earlier. For hardware and drugs also, the September gains reflect in part an expansion developing later than in previous years.

WHOLESALE GROCERY SALES—7TH DISTRICT



Based on reports to this bank by 43 firms. Latest figure shown September, 1924: 81.6.

For none of the groups except drugs, which showed the second increase of the year, were aggregate sales as large as in September, 1923. Cumulative sales for the third quarter likewise are below a year ago, decreases averaging less than 6 per cent for drugs, groceries, and hardware, 14 per cent for dry goods, and over 30 per cent for shoes; for the last two named, the differences are larger than those noted at the end of the first six months.

With the expansion in trade came an increase, although less pronounced, in the volume of accounts outstanding, so that amounts on the books as of September 30, with few exceptions, were heavier than at the end of August. Collections, nevertheless, registered improvement, each group totaling a larger volume than in August.

Dry goods firms reporting inventory figures reduced their stocks during September, the aggregate decline of 13 per cent comparing with 8 per cent in 1922 and 10 per cent last year. Among hardware dealers also, inventories were lowered during the month. In grocery stocks, on the other hand, increases were general. Groceries and hardware continued as on August 31 to show the only increases in comparison with a year ago.

Mail Order Trade—Combined sales of Chicago's two leading mail order houses during September were 32 per cent in excess of the August volume. Both firms showed increases over a year ago, with the average of 21 per cent the largest yet noted. Business was reported by one house as warranting more substantial grounds for optimism than any month so far in 1924; buying, though prudent, was somewhat more liberal, with sales satisfactory in practically all lines and localities.

Department Store Trade—Over three-fourths of the department stores reporting September sales to this bank indicated a larger volume of goods sold than during August. For the district as a whole, the gain of 23 per cent, combined with the 9 per cent increase in the preceding month, represents a degree of expansion practically the same as in 1923. Last year, however, the recovery from the midsummer low point developed largely during August, whereas the 1924 trend follows the more usual course of a moderate August expansion becoming more pronounced in September.

In comparison with the corresponding month of 1923, sales this September were lower for the majority of stores. Gains by some of the larger firms, nevertheless, resulted in a net increase for the group of 3 per cent, and brought cumulative sales for the third quarter of the year to within one per cent of last summer's volume.

Substantial additions were made to stocks, as is customary during September, with all but one store at the end of the month inventoried higher than on August 31. For the district the average increase of 6 per cent is the same as in 1923 and compares with 3 per cent in 1921 and 1922. Only a third of the stores were carrying as heavy inventories on September 30 as a year ago so that aggregate stocks again averaged below the corresponding 1923 level.

In collections an increase of 2 per cent over August reversed the downward trend followed since May, and compares with similar increases at this time in the two immediately preceding years. The decrease in accounts outstanding, however, is contrary to the 1922 and 1923 trends.

Chain Store Trade—September sales of reporting grocery and musical instrument chain stores in the district were larger than for August, both in aggregate dollar amount and in average sales per store. The four other systems from which reports were received, three drug and one shoe chain, showed declines from the preceding month. In comparison with the September business in earlier years, grocery and drug firms made new records.

TRANSPORTATION

During the six months subsequent to the middle of March this year the volume of freight movement remained below that of 1923. However, since the seasonal mid-year drop near the close of June a singularly rapid rise has taken place; an increase of 328,520 loaded cars was shown between the weeks of July 5 and October 11, the date of the peak loading thus far this year. This represents the largest rise in this period of time in any of the past six years. Average weekly loadings in September exceeded those of August by approximately 100,000 cars, and were practically identical with those a year ago. The rise over August was due in large part to greatly heightened shipments of coal, grain, and manufactured products, although expansion was shown in most other commodity movements. Carriers placed orders for 22,520 freight cars in September, a figure exceeded only in March thus far this year. This large volume of purchases is particularly striking in view of the fact that before the month opened inquiries were few and indications of a buying movement lacking.

The net operating income of Class I Railroads during August aggregated \$95,415,000 compared with \$74,088,000 in July and \$98,934,000 in August of last year.

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1919 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve district unless otherwise noted.)

	No. of Firms	Sept. 1924	Aug. 1924	Sept. 1923	Aug. 1923
Meat Packing—(U. S.)—					
Sales (in dollars) ¹	64	99.5	97.3	104.3	96.1
Casting Foundries—					
Shipments (in dollars).....	29	71.9	74.4	105.4	114.0
Stoves and Furnaces—					
Shipments (in dollars).....	19	144.2	99.1	136.9	103.7
Agricultural Machinery & Equipment—(U. S.)²—					
Domestic Sales (in dollars).....	130	102.1	110.4	90.2	105.7
Exports (in dollars).....	130	82.3	100.7	132.4	140.0
Total Sales (in dollars).....	130	99.2	109.0	96.5	110.8
Production.....	124	76.2	76.2	93.8	95.4
Furniture³—					
Orders (in dollars).....	23	140.5	109.1	122.6	106.7
Shipments (in dollars).....	23	147.4	118.2	134.5	153.4
Shoes⁴					
Production (in pairs).....	36	159.7	133.2	148.0	155.2
Shipments (in pairs).....	36	186.5	162.2	169.7	172.0
Electric Energy—					
Output of Plants (KWH).....	10	151.8	148.3	143.5	145.6
Industrial Sales (KWH).....	10	171.3	170.2	167.9	180.5
Freight Carloadings—(U. S.)—					
Grain and Grain Products.....		179.7	157.3	133.3	133.0
Live Stock.....		116.1	94.1	123.3	102.9
Coal.....		114.4	95.1	113.9	119.0
Coke.....		96.7	77.9	149.6	146.4
Forest Products.....		122.2	119.4	132.4	134.0
Ore.....		131.9	136.0	203.6	214.9
Merchandise and Miscellaneous.....		141.4	128.4	137.0	127.3
Total.....		134.4	120.8	134.4	129.6
Iron and Steel—					
Pig Iron Production:⁵					
Illinois and Indiana.....		75.8	65.9	147.4	153.3
United States.....		81.7	72.7	124.3	132.5
Steel Ingot Production—(U. S.)⁵					
Unfilled Orders U. S. Steel Corp.		57.9	54.9	84.0	90.3
Automobiles—(U. S.)					
Production:					
Passenger Cars.....		186.7	182.1	216.2	227.3
Trucks.....		113.8	103.6	107.7	115.6
Shipments:⁶					
Carloads.....		135.6	144.3	172.2	183.4
Driveaways.....		73.1	72.0	101.1	117.1
Boat ⁷		210.2	222.2	249.6	296.4
Automobile Excise Tax Collections (7th F.R. District)—					
New Automobiles.....		168.7	103.7	154.9	82.8
New Automobile Trucks.....		20.1	27.7	60.9	36.0
Parts and Accessories.....		51.8	41.3	76.7	73.8
Stamp Tax Collections⁸—					
Sales or Transfers of					
Capital Stock.....		137.3	87.2	123.9	74.9
Sales of Produce on Exchange—Futures.....					
		56.5	45.1	42.0	43.9

	No. of Firms	Sept. 1924	Aug. 1924	Sept. 1923	Aug. 1923
Wholesale Trade—					
Net Sales (in dollars):					
Groceries.....	43	81.6	74.1	85.6	82.6
Hardware.....	21	106.0	93.1	108.3	109.6
Shoes.....	7	55.7	47.2	69.6	75.0
Drugs.....	14	101.9	93.0	100.9	104.8
Dry Goods.....	13	115.7	91.3	116.3	117.0
Retail Trade (Department Stores)—					
Net Sales (in dollars):					
Chicago.....	9	115.3	135.9	117.1	129.9
Detroit.....	4	160.8	118.6	141.0	134.9
Des Moines.....	3	124.2	99.1	125.6	119.3
Indianapolis.....	5	132.3	98.8	132.1	113.8
Milwaukee.....	5	136.6	113.3	137.0	124.8
Outside.....	39	96.2	86.2	104.5	93.9
Seventh District.....	65	131.6	107.3	127.6	119.0
Retail Trade—(U. S.)—					
Department Stores.....	359	119	93	113	100
Mail Order Houses.....	4	106	74	92	73
Chain Stores:					
Grocery.....	28	205	199	182	179
Drug.....	9	145	153	143	145
Shoe.....	6	124	108	127	95
Five and Ten Cent.....	5	169	172	151	153
Music.....	4	110	91	102	103
Candy.....	4	185	184	176	179
Cigar.....	3	137	138	140	135
Flour Production—(In barrels)					
	42	127.0	122.0	103.8	108.4
U. S. Primary Markets⁹—					
Grain Receipts:					
Oats.....		291.0	150.4	135.6	155.6
Corn.....		147.8	126.3	124.8	139.3
Wheat.....		263.5	296.1	142.6	202.8
Grain Shipments:					
Oats.....		87.9	51.8	86.6	88.4
Corn.....		78.3	75.7	77.5	83.5
Wheat.....		184.6	171.0	86.1	85.0
Building Construction—					
Contracts Awarded (in dollars):					
Residential.....		139.1	165.2	89.0	99.3
Total.....		99.3	113.4	92.5	83.3
Permits:					
Chicago.....	Number	243.9	223.3	220.2	262.3
	Cost.....	233.0	252.7	321.0	231.9
Indianapolis.....	Number	283.3	249.6	240.9	260.4
	Cost.....	244.6	301.8	154.8	248.0
Des Moines.....	Number	200.0	188.2	289.2	224.5
	Cost.....	96.1	139.5	192.1	145.1
Detroit.....	Number	209.6	204.4	184.2	192.0
	Cost.....	181.1	172.2	140.4	224.5
Milwaukee.....	Number	205.1	208.7	202.4	216.2
	Cost.....	365.7	224.5	166.8	154.5
Others (45).....	Number	227.7	204.0	213.0	223.8
	Cost.....	157.5	185.4	170.8	163.5
Fifty Cities.....	Number	223.9	210.0	207.7	220.5
	Cost.....	205.1	210.3	210.6	203.4

1. Monthly average 1920-1921=100; 2. Monthly average 1923=100; 3. Monthly average 1919-1920-1921=100; 4. Monthly average of mean of production and shipments in 1919=100; 5. Average daily production; 6. Monthly average 1920=100; 7. Base figures (1920) partly estimated; 8. First Illinois internal revenue district; 9. Monthly average receipts 1919=100.

